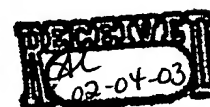


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ALSTON & BIRD LLP

101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000

704-444-1000
Fax: 704-444-1111

Official**TELECOPY****PLEASE DELIVER AS SOON AS POSSIBLE****DATE:** February 4, 2003**TO:** Technology Center 2600 @ USPTO**FROM:** Kay Costanza, Administrative Patent Paralegal

Please enter our firm's Customer Number of record for this application.

The assignment from the inventor to BrainShield Technologies, Inc. is included as evidence of the assigning of the application, but please do NOT record the assignment. It was mailed on 01/27/2003 for recording.

Please call Kay Costanza at (704) 444-1171 with problems or questions.

Thank you.

NO. OF PAGES:
(Including cover page)

14

OPERATOR:**IF NOT RECEIVED PROPERLY, PLEASE NOTIFY ME IMMEDIATELY AT****USER CODE:** COSTK**FAX NUMBER:** (704) 872-9314**CLIENT/MATTER:** 047347/259572**REQUESTED BY:** Kay 1171**VOICE NUMBER:**

Alston & Bird

Please type a plus sign (+) inside this box → ☐

PTO/SB/81 (02-01)

Approved for use through 10/31/2002. OMB 0651-0035

U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

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**POWER OF ATTORNEY OR
AUTHORIZATION OF AGENT**

Application Number	10/047,275
Filing Date	Jan. 15, 2002
First Named Inventor	Wittlotter
Title	Data Processing Appliance
Group Art Unit	2681
Examiner Name	
Attorney Docket Number	

I hereby appoint:

☒ Practitioners at Customer Number

00826


☐ Practitioner(s) named below:

Name	Registration Number

as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith.

Please change the correspondence address for the above-identified application to:

☒ The above-mentioned Customer Number

OR

☐ Practitioners at Customer Number

OR



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Number Bar Code
Label here

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Individual Name

 PATENT TRADEMARK OFFICE
ALSTON & BIRD LLP

Address

Address

City

State

Zip

Country

Telephone

Fax

I am the:

☐ Applicant/Inventor.

BRAINSHIELD TECHNOLOGIES, INC.

☒ Assignee of record of the entire interest. See 37 CFR 3.71. (See attached documentation.)
Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96).
SIGNATURE of Applicant or Assignee of Record

Name

ANDREW BRUGNOLI c/o BRAINSHIELD TECHNOLOGIES, INC.

Signature

Date

01/29/2003

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☐ Total of _____ forms are submitted.

Burden Hour Statement: This form is estimated to take 3 minutes to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.

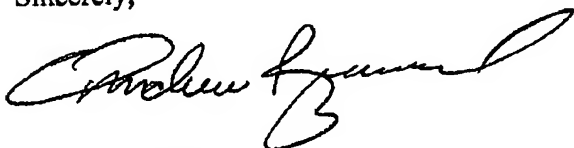
January 27, 2003

Commissioner of Patents & Trademarks
Box Assignments
Washington, D.C. 20231

To Whom It May Concern:

Attached, please find the Purchase Agreement for the requested assignment. Schedule A of the Purchase Agreement details the individual intellectual properties. The USPTO Application Numbers and Registration Numbers have been highlighted for your reference.

Sincerely,

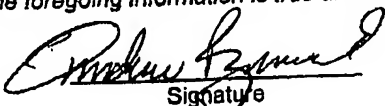


Andrew Brugnoli
BrainShield™ Technologies, Inc.



Erland Wittkott

Do not
Record assign-
ment. It has
already been mailed
for Recording.

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		RECORDATION FORM COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): <u>ERLAND WITTKOTTER</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			2. Name and address of receiving party(ies) Name: <u>BRAINSHIELD TECHNOLOGIES, INC.</u> Internal Address: <u>c/o ANDREW BRUGNOLI</u> Street Address: <u>352 SEVENTH AVENUE</u> <u>SUITE - 703</u> City: <u>NEW YORK</u> State: <u>NY</u> Zip: <u>10001</u> Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Nature of conveyance: <input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: <u>04/09/2002</u>					
4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: _____ A. Patent Application No.(s) <u>09/202,336</u> <u>10/047,275</u> B. Patent No.(s) _____ Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>BRAINSHIELD TECHNOLOGIES, INC.</u> Internal Address: <u>c/o ANDREW BRUGNOLI</u> Street Address: <u>352 SEVENTH AVENUE</u> <u>SUITE - 703</u> City: <u>NEW YORK</u> State: <u>NY</u> Zip: <u>10001</u>			6. Total number of applications and patents involved: <input type="checkbox"/> 7. Total fee (37 CFR 3.41)...\$ <u>80</u> <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)		
DO NOT USE THIS SPACE					
9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. <u>ANDREW BRUGNOLI</u>  Name of Person Signing Signature Date: <u>01/27/2003</u> Total number of pages including cover sheet, attachments, and documents: <u>16</u>					

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

PURCHASE AGREEMENT

(BrainShield Technologies, Inc.)

THIS PURCHASE AGREEMENT (this "*Agreement*") is made as of April 09, 2002, by and among BrainShield Technologies, Inc., a Delaware corporation (the "*Company*") and Dr. Erland Wittkotter (the "*Owner*").

WHEREAS, the Owner is the owner of certain assets consisting of the Owner's right, title and interest in and to certain intellectual property identified on Schedule A attached hereto (the "*Purchased Assets*");

WHEREAS, the Owner wishes to sell the Purchased Assets to the Company, on the terms and conditions set forth in this Agreement; and

WHEREAS, the Company is willing to purchase the Purchased Assets on conditions set forth in this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. Purchase of Purchased Assets.

1.1 Purchase of Purchased Assets.

(a) The Owner hereby sells, assigns, transfers, conveys and delivers to the Company all of the Owner's right, title, and interest in and to the Purchased Assets, together with all of the Owner's rights under and in and to each and every document, instrument, or agreement relating to or evidencing the Purchased Assets, including, without limitation, all Intellectual Property (as hereinafter defined) comprising the Purchased Assets, in each case free and clear of any lien, claim or encumbrance of any kind or nature whatsoever, and Company shall have exclusive ownership rights to the Purchased Assets, except as hereinafter set forth. All Purchased Assets and such documents, instruments, and agreements shall belong exclusively to Company, with Company having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof.

(b) The Owner hereby constitutes and appoints the Company, its successors and assigns, the true and lawful attorney or attorneys of the Owner, with full power of substitution, in the name of the Owner or in its own name, but by and on behalf of and for the sole benefit of the Company, its successors and assigns, to demand and receive from time to time any and all of the Purchased Assets and from time to time to institute and prosecute any and all proceedings at law, in equity or otherwise which the Company or its successors or assigns may deem necessary or desirable in order to receive, collect, assert or enforce any right, title, benefit

or interest of any kind in or to the Purchased Assets and to defend and compromise any and all actions, suits or proceedings in respect thereof and to do all such acts and things and execute any instruments in relation thereto as the Company or its successors or assigns deem advisable. Without limitation of the foregoing, the Owner hereby authorizes any officer of the Company to endorse or assign any instrument, contract or chattel paper relating to the Purchased Assets. The Owner agrees that the foregoing appointment made and the powers hereby granted are coupled with an interest and will be irrevocable by the Owner in any manner or for any reason. Owner hereby authorizes the appropriate official of any country empowered to issue or transfer each such right, to record this Agreement, and to issue or transfer all applicable said rights to Company as owner of all right, title and interest therein, or otherwise as Company may direct, in accordance with the terms of this Agreement.

(c) From time to time, upon the request of the Company, the Owner will promptly execute and deliver any further instruments and documents reasonably requested by the Company in connection with this Agreement or in connection with the transfer of the Purchased Assets to the Company hereunder; including without limitation, assignments, forms and documents necessary to transfer ownership of the Purchased Assets with German, United States and other governmental agencies wherever located.

1.2 Purchase Price. The Company hereby purchases and accepts the Purchased Assets from Owner and, except as otherwise provided herein, assumes and agrees to pay and perform, as if it were originally a party thereto, from and after the date hereof, the Owner's outstanding obligations under or in respect of the Purchased Assets to the law firm of Heibsch Behrman (the "Assumed Obligation"). It is estimated that the Assumed Obligation is in the amount of [\$55,000] and that the Company shall enter into a payment schedule with respect to the Assumed Obligation.

2. **Representations and Warranties of the Company.** The Company hereby represents and warrants to the Owner the following:

2.1 **Organization, Good Standing and Qualification.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority to (i) execute, deliver and perform its obligations under this Agreement, and the other documents to be executed and delivered in connection with the transactions contemplated hereby and (ii) own and operate its property and assets and to carry on its business as now conducted.

2.2 **Capitalization.** The authorized capital of the Company consists, or will consist, immediately after the Closing, of 1,500,000 shares, of which 1,000,000 will be issued and outstanding, 50,000 shares will be reserved for issuance as stock options to independent contractors and for issuance pursuant to an employee incentive plan to be adopted by the Company. There are no outstanding options, warrants or other rights to subscribe for or purchase from the Company, and no securities convertible into, or exchangeable for, any

Common Stock of the Company, other than Common Stock issued to management, advisors and investors in the Company.

2.3 **Authorization.** All corporate or similar action on the part of the Company, its officers and directors necessary for the authorization, execution and delivery of this Agreement, the performance by the Company of its obligations hereunder, has been taken, and this Agreement, when executed and delivered by the Company, will constitute a valid and legally binding obligation of the Company, enforceable in accordance with its terms, *except* (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.4 **Governmental Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement.

2.5 **Litigation.** There is no action, suit, proceeding or investigation pending or to the Company's knowledge, currently threatened against the Company that (i) questions the validity of this Agreement or the right of the Company to enter into this Agreement, or to consummate the transactions contemplated hereby, (ii) might result, either individually or in the aggregate, in any material adverse changes in the assets, condition, or affairs of the Company, financially or otherwise, or (iii) might result in any change in the current equity ownership of the Company, nor is there any basis for the foregoing.

2.6 **Compliance with Other Instruments.** The Company is not in violation or default of any provision of its Certificate of Incorporation or in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound and a violation of which would reasonably be expected to have a material adverse effect on the condition, financial or otherwise, or operations of the Company, or of any provision of any federal or state statute, rule or regulation applicable to the Company which would reasonably be expected to have a material adverse effect on the condition, financial or otherwise, operations or prospects of the Company. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, order, writ, decree or contract or an event that results in the creation of any lien, charge or encumbrance upon any material assets of the Company or the suspension, revocation, impairment, forfeiture, or non-renewal of any material permit, license, authorization or approval applicable to the Company, or their respective businesses or operations or any of their respective assets or properties.

3. **Representations and Warranties of the Owner.** Owner hereby represents and warrants to the Company that:

3.1 **Authorization; Enforceability.** Owner has the full power and authority to enter into, and perform his obligations under, this Agreement, and each of the other agreements referred to herein. This Agreement, when executed and delivered by Owner, will constitute the valid and legally binding obligation of Owner, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.2 **Title to Assets.** Immediately prior to the consummation of the transactions contemplated by this Agreement, Owner owns all right, title and interest in and to the Purchased Assets, which conform to their description as set forth on Schedule A, free and clear of all claims, liens, charges, rights, options, security interests or other encumbrances of any kind or nature whatsoever, other than the Assumed Obligation. Transfer of the Purchased Assets to the Company pursuant hereto will pass all right, title and interest of the Owner to the Purchased Assets to the Company, free and clear of all claims, liens, charges, encumbrances, rights, options, security interests or other encumbrances of any third party, (other than the Assumed Obligations) and such transfer and Company use of the Purchased Assets as intended hereunder will not conflict with any other obligations or agreements (including any non-competition or confidentiality agreements with third parties). Immediately prior to the transfer to the Company pursuant hereto, Owner has an assigned or otherwise transferred any interest in the Purchased Assets to any third party. If any of the Purchased Assets are owned by entities in which Owner has an interest, Owner shall cause such entity to transfer ownership to the Company.

3.4 **No Infringement.**

(a) To the best of Owner's knowledge, the use of the Purchased Assets in connection with the operation of the Company will not conflict with, infringe upon, misappropriate or violate any copyright, patent, trademark, service mark, trade secret, contract right or other proprietary right or intellectual property right of any third party or violate the terms of any third party license agreement. The Purchased Assets include all material items of intellectual property necessary to the semantic encryption technology developed by the Owner;

(b) There have not been any actions or other judicial or adversary proceedings involving Owner concerning any of the Purchased Assets, nor, to the best knowledge of Owner, is any such action or proceeding threatened;

(c) Owner has the right and authority to use all items of the Purchased Assets in connection with the conduct of the business to be conducted by Company and to convey such right and authority to the Company, and such use does not conflict with, infringe upon or violate any patent, copyright, trademark, trade secret, trade name or other right of any other person, corporation or other entity;

(d) There are no outstanding, nor, to the best knowledge of Owner, are there any threatened, disputes or disagreements with respect to any licenses or similar agreements or arrangements included in the Purchased Assets;

(e) Owner has obtained any and all third party and governmental consents required in connection with the transfer of the Purchased Assets to the Company.

3.5 **Fit for Purpose; Free of Defects; Non-Interference Performance.** To the best knowledge of Owner, (a) the Purchased Assets will be fit for the particular purposes specified by the Company under normal use and service, and (b) the Purchased Assets are free of defects in design, materials, and workmanship and will be delivered to Company in good operating condition.

4. **Intellectual Property Infringement Indemnity.** At Owner's expense, Owner shall indemnify, defend and hold Company harmless from and against any and all claims, demands, causes of action, debts, liabilities, costs and expenses (including attorneys' fees) arising out of a claim that the Purchased Assets or any component thereof infringes or violates any trade secret, trademark, patent, copyright, license, or other proprietary rights of any third party; provided that the aggregate liability of Owner under this Section 4 shall in no event exceed the value of Owner's Common Stock. The Company may, in the sole discretion of the Board of Directors of the Company, satisfy any outstanding indemnification obligation of Owner under this Section 4 by canceling Common Stock of Owner equal to the aggregate liability of Owner to the Company hereunder. Company shall: (i) give Owner prompt written notice of such claim; and reasonably cooperate (at Owner's expense) with Owner in the defense and all related negotiation. Company may, at own expense, assist in such defense if it so chooses, provided that Owner shall control such defense and all negotiations relative to the settlement of any such claim. In the event that the Purchased Assets or any component thereof is held to constitute an infringement, or in the opinion of the Company, is likely to become subject to a claim of infringement; Owner shall (at his expense) have the obligation to, at Company's option: (i) modify the infringing Purchased Assets or component without impairing in any respect the functionality or performance, so that it is non-infringing; (ii) procure for Company the right to continue to use the infringing Purchased Assets or component; or (iii) reimburse Company for its reasonable costs (including expenses) to modify, or have a third party modify, the infringing Purchased Assets. Such remedies shall not be deemed to be the exclusive rights or remedies for a breach of this Agreement, but shall be in addition to all other rights and remedies available at law, in equity or otherwise to Company, it being the intention that all such rights and remedies are cumulative and not exclusive.

5. **Support of Purchased Assets.**

5.1 **Developers.** Owner agrees that he will use commercially reasonable efforts to continue the development of the Purchased Assets, in the design, construction, coding, implementation, operations and support of the Purchased Assets.

5.2 **Return of Purchased Assets.** In the event that the Company is unable to raise Series A financing for the further development and exploitation of the Purchased Assets and Owner has cooperated with Company in its efforts to raise such Series A financing, Company shall transfer the Purchased Assets back to Owner provided that Owner pays 35% of the initial seed money costs incurred in the organization of the Company and Company's start-up efforts, including fundraising. If Owner is unable to pay his share of such expenses, then the Purchased Assets shall be returned to Owner provided that Owner grants to Company a recordable security interest in the Purchased Assets. The security interest shall be paid, together with interest, from the first monies received by Owner from the exploitation of the Purchased Assets.

6. **Miscellaneous.**

6.1 **Survival of Warranties.** The warranties, representations and covenants of the Company and Owner contained in or made pursuant to this Agreement will survive the execution and delivery of this Agreement and the Closing for a period of five (5) years.

6.2 **Successors and Assigns.** Except as otherwise provided herein, the terms and conditions of this Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer on any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.3 **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed by and construed under the laws of the State of New York.

6.4 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

6.5 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.6 **Notices.** Unless otherwise provided, any notice required or permitted under this Agreement will be given in writing and will be deemed effectively given (i) on personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten (10) days advance written

notice to the other parties.

6.7 **Finder's Fee.** Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Owner agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which the Owner is responsible. The Company agrees to indemnify and hold harmless the Owner from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

6.8 **Fees and Expenses.** Irrespective of whether the Closing is effected, each party will pay all costs and expenses that it incurs with respect to the negotiation and execution of this Agreement.

6.9 **Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Owner.

6.10 **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision will be excluded from this Agreement and the balance of the Agreement will be interpreted as if such provision were so excluded and will be enforceable in accordance with its terms.

6.11 **Entire Agreement.** This Agreement and the documents referred to herein constitute the entire agreement among the parties pertaining to the subject matter hereof and no party will be liable or bound to any other party in any manner by any warranties, representations, or covenants, *except* as specifically set forth herein or therein.

6.12 **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, will impair any such right, power or remedy of such non-breaching or non-defaulting party nor will it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor will any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing, and will be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, will be cumulative and not alternative.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the
date first above written.

BRAINSHEILD TECHNOLOGIES, INC.

By: [Signature]
Name: ERMAN GOMEZ
Title: CHAIRMAN CEO
Address:

DR. ERLAND WITTKOTTER

[Signature]
Erland Wittkotter

Address: Koppelstr. 19, D-32257 Bünde

SCHEDULE A**PURCHASED ASSETS**

The purchase of these listed assets is subject to final verification and confirmation of all items

The intellectual property including, all software (in both object code and source code form), software and computer system designs, know-how, trade secrets, inventions (whether or not patentable or reduced to practice), improvements, processes, developments, materials or data and related documentation and materials associated therewith, used in or related to the semantic encryption, including, without limitation, all right, title and interest of the Owner in and to all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes related thereto. Without limiting the generality of the foregoing, the Purchased Assets shall include, without limitation, the following as show on the attached three (3) pages:

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